

HOUSE BILL 1449

By Sontany

AN ACT to amend Tennessee Code Annotated, Title 68,  
relative to hospital fair pricing policies.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. T-C-A, title 68, chapter 11, is amended by adding section 2 through 4 of this act as a new, appropriately designated part.

SECTION 2. As used in this act, unless the context otherwise requires:

(1) "Allowance for financially qualified patient" means, with respect to services rendered to a financially qualified patient, an allowance that is applied after the hospital's charges are imposed on the patient, due to the patient's determined financial inability to pay the charges;

(2) "Federal poverty level" means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection 42 U.S.C. § 9902(2);

(3) "Financially qualified patient" means a patient who is both of the following:

(A) A patient who is a self-pay patient, as defined in subdivision (5) or a patient with high medical costs, as defined in subdivision (6).

(B) A patient who has a family income that does not exceed three hundred fifty percent (350%) of the federal poverty level.

(4) "Hospital" means any facility as defined in Section 68-11-201;

(5) "Self-pay patient" means a patient who does not have third-party coverage from a health insurer, health care service plan, Medicare, or Medicaid, and whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital. Self-pay

patients may include charity care patients.

(6) "A patient with high medical costs" means a person whose family income does not exceed three hundred fifty percent (350%) of the federal poverty level, as defined in subdivision (2), if that individual does not receive a discounted rate from the hospital as a result of his or her third-party coverage. For these purposes, "high medical costs" means any of the following:

(A) Annual out-of-pocket costs incurred by the individual at a hospital that exceed ten percent (10%) of the patient's family income in the prior twelve (12) months;

(B) Annual out-of-pocket expenses that exceed ten percent (10%) of the patient's family income, if the patient provides documentation of the patient's medical expenses paid by the patient or the patient's family in the prior twelve (12) months; or

(C) A lower level determined by the hospital in accordance with the hospital's charity care policy.

(7) "Patient's family" means the following:

(A) For persons eighteen (18) years of age and older, spouse, domestic partner and dependent children under twenty-one (21) years of age, whether living at home or not.

(B) For persons under eighteen (18) years of age, parent, caretaker relatives and other children under twenty-one (21) years of age of the parent or caretaker relative.

SECTION 3. Each general acute care hospital licensed shall comply with the provisions of this act as a condition of licensure. The department of health shall be responsible for the enforcement of these provisions.

SECTION 4. Each hospital shall maintain an understandable written policy regarding discount payments for financially qualified patients as well as an understandable written charity care policy. Uninsured patients or patients with high medical costs who are at or below three hundred fifty percent (350%) of the federal poverty level shall be eligible to apply for participation under each hospital's charity care policy or discount payment policy.

Notwithstanding any other provision of this act, a hospital may choose to grant eligibility for its discount payment policy or charity care policies to patients with incomes over three hundred fifty percent (350%) percent of the federal poverty level. Both the charity care policy and the discount payment policy shall state the process used by the hospital to determine whether a patient is eligible for charity care or discounted payment. In the event of a dispute, a patient may seek review from the business manager, chief financial officer, or other appropriate manager as designated in the charity care policy and the discount payment policy.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.